

N-CORPE

Nebraska Cooperative Republican Platte Enhancement Project

Board of Directors Meeting Minutes February 22, 2017 Curtis Community Center, 201 Garlick, Curtis, NE

Agendas were sent to board members and others requesting agendas, Agendas were posted at www.ncorpe.org and in the following offices: Twin Platte NRD; Lower Republican NRD, Middle Republican NRD; and Upper Republican NRD.

Board Members Present: Terry Martin (Upper Republican NRD); Jerry Weaver (Twin Platte NRD) Benjie Loomis (Middle Republican NRD); Nelson F. Trambly (Lower Republican NRD)

Others Present: Robert Merrigan (Middle Republican NRD); Alex Boyce (Middle Republican NRD); Kyle Shepherd (NCORPE); Pierre Dean (NCORPE); Bill Sellers (NCORPE); Mike Clements (Lower Republican NRD); Jim Meisner (Twin Platte NRD); Sylvia Johnson (Middle Republican NRD); Jack Russell (Middle Republican NRD); Kevin Fornoff (Middle Republican NRD); Scott Dicke (Lower Republican NRD); Kent O. Miller (Twin Platte NRD); Jasper Fanning (Upper Republican NRD); Nate Jenkins (Upper Republican NRD); Bruce Lefler (Ameritas); Adam Herink (BES); Matt Robinette (BES); Ken Schmilz (BLG); Dick Hasenauer (North Platte); Jay Schilling (Middle Republican NRD); Ken Anderson; Dan Esterman (Wellfleet)

Information Sent to Board Members: Agenda; Minutes from January 26, 2017 meeting; Payables up to February 22, 2017.

Information Available at meeting: Agenda; Minutes from January 26, 2017 meeting; Payables up to February 22, 2017.

Terry Martin called the meeting to order at 11:00 a.m. and designated NCORPE General Manager Kyle Shepherd to chair the meeting. Shepherd pointed out that there were copies of the Open Meeting Act posted in the back of the room.

Roll call was taken. Voting representatives from the Upper Republican NRD (Terry Martin); Middle Republican NRD (Benjie Loomis); Twin Platte NRD (Jerry Weaver); Lower Republican NRD (Nelson F. Trambly) were represent.

Minutes:

Terry Martin moved to approve the minutes of January 26, 2017 meeting as presented and was seconded by Benjie Loomis. Roll Call, Upper Republican- Yes; Middle Republican- Yes; Twin Platte- Yes; Lower Republican- Yes. Vote: 4-Yes, 0-No. Motion Approved

Benjie Loomis requested to have an item to be added to the agenda relating to personnel during executive session. Shepherd confirmed that it would be discussed during that time.

Financial Report:

- a.) **Payables:** Shepherd presented the payables and opened the floor to questions. Shepherd explained to the board that currently NCOPRE's credit cards are ran through the Upper Republican NRD. He continued to explain that the process is good in terms of checks and balances as items purchased are checked and approved by the Upper Republican NRD.

Benjie Loomis moved to approve the Financial Report Payables as presented and was seconded by Jerry Weaver.
Roll Call, Upper Republican- Yes; Middle Republican- Yes; Twin Platte- Yes; Lower Republican- Yes. Vote: 4-Yes, 0-No. Motion Approved.

- b.) **Financial Statements:** Shepherd advised that there were no Financial Statements ready for this meeting as they are due quarterly.
- c.) **Bond Updates:** Bruce Lefler advised the board that it looks favorable to proceed with bond issuance. Lefler advised the board that no further action is required from the board at the time. Lefler did however, request a meeting with the board to further discuss the bond issuance.

**Project Update:
Managers Reports:**

Mike Keller – Has been very busy during pumping time. He works from 6:00 am checking the wells, ensures there are no error codes. If there are error codes he ensures that they are addressed. Keller checks all crossings on a weekly basis, and maintains the dam ensuring that it is not blocked with debris. He coordinates with contractors and utility companies to ensure equipment functions properly. New power poles were installed this week and there were some issues that had to be addressed by Keller. When he is not working on augmentation, Keller does repairs and maintenance on equipment and vehicles as well as assisting Range manager Bill Sellers and General Manager Kyle Shepherd with completing tasks. Keller is assisted by part time employees to complete some of these tasks.

Bill Sellers – Sellers is responsible for all leases for the property, he's headed the fencing project, worked on reestablishing the native grass and monitors blowouts. Sellers works on controlling noxious weeds and removal of Eastern red cedars. Sellers worked on installing cattle tanks in preparation of spring grazing (which were awarded by Sellers last week). Sellers also worked on getting bids for summer grazing and haying while looking for further income opportunities for the fall. Sellers utilizes the help of part-time employees to complete some of these tasks.

Part-Time employees are utilized for various tasks including removing of old fencing for contractors, removal of cedar trees and noxious weeds. On colder days, they may work in the shop maintaining or cleaning equipment. On slow warmer days, they may do trash removal on the property as there were several landfills on the property when it was purchased.

Kyle Shepherd shared with the board that while Mike Keller, Bill Sellers and Pierre Dean were working on installing cattle tanks the day before, Shepherd saw smoke in a distance and called the fire departments. There was a fire about 1 mile north of the property and Shepherd along with Sellers, Keller and Dean went to assist in fighting the fire.

Kyle Shepherd – Oversees the day to day operations, and when not attending meetings or completing paper work assists in the field as much as possible.

Shepherd explained that his summary was given due to comparisons being made with NCORPE and the Colorado model. Shepherd explained that there are numerous differences between the projects and the number of wells to be maintained is just one of them as they run 8 wells pumping about 15,000 acre-feet and NCORPE has 30 wells pumping 40,000 acre-feet maintained by one employee. The Colorado model has 2 office staff and they do not own the land. NCORPE owns the land and currently has a Range Manager to reestablish native grass to the property.

Property Management / Operations

a.) Alternate Power Generation – Blue Stem Energy

Bluestem Energy did a presentation on wind energy and how it would benefit NCORPE and the Lincoln County. They estimated that NCORPE's property has the capacity to develop up to a 400 Mega Watt wind farm based on 2018 machines by General Electric or Siemens. The proximity to high transition lines with South West Power Pool access is advantageous, as well as having such a large contiguous parcel of land and few neighbors makes NCORPE a good candidate for a wind farm. The project would be about \$750,000,000 investment into the area with a 375-400 megawatt wind farm. A 375 Mega Watt wind farm would add \$1.3 million in tax revenue to Lincoln County through the name plate capacity tax. There would also be royalty payments that would be a new source of revenue for NCORPE. The project doesn't require lots of labor and only about twelve highly skilled workers will be required to maintain the facility.

b.) Pumping Update – Shepherd advised that board that pumping continues and will continue until about 10,800 acre feet has been pumped. Shepherd estimates about another 2-3 weeks until pumping is completed.

c.) Medicine Creek

Alex Boyce from the Middle Republican NRD presented a video presentation of a drone flight over Medicine Creek. The drone showed some areas that had soil erosion, though some may be natural erosion the pumping of water into the creek may have speed the process up.

d.) Booming Grounds Public Access Reservation Program

Bill Sellers presented a proposal for bird watching to the board. After meeting with educators and wildlife conservatives, Sellers felt that it would be good to provide an opportunity for wildlife viewing to the public. The program would only be for the month of April and the usual public access rules would apply. The program is basically for the viewing of native prairie chicken.

Terry Martin moved the motion to approve the public wildlife observation program, seconded by Jerry Weaver. Roll Call, Twin Platte NRD – Yes; Upper Republican NRD – Yes; Middle Republican NRD – Yes; Lower Republican NRD – No. Vote 3 yes, 1 No. Motion Approved.

e.) Land Trade Options Update

Shepherd advised the board that the initial parties that were interested in trading land are no longer interested. Shepherd said that he had been working with North Platte Chambers and Lincoln County Chambers and they are seriously interested in the property for non-agriculture economic development. The board was concerned about retiring irrigated land to protect the well fields and prefers to trade for a neighboring property. Thus, the board asked Shepherd to contact the other parties that were interested in trading.

f.) Legislative Update

Kyle Shepherd told the board the several members testified in regards to LB218 forcing the sale of NCORPE land and LB438 which involved paying about \$50 an acre.

g.) In Kind Contribution Options, Third Party Audit

Kyle Shepherd met with the managers on In Kind contribution to help with the guideline for the third-party audit. Shepherd advised that the estimated cost of the audit is about \$20,000 - \$30,000 and more details are needed on the exact items what would be included in the audit. At this point there are three area of interest;

- 1.) How the In Kind was originally allocated (ensuring it was divided correctly among the NRDs);
- 2.) How the sale of the property was handled;
- 3.) The sharing of the land during the construction of the south pipeline with McDermott and Knolls.

Mike Clements told the board that currently there is no explanation of how each district arrived at their individual In Kind contributions. He continued to say that NCORPE's book keeping only shows how In Kind is handled. Benjie Loomis suggested to include the sale of equipment in the audit as well. Jasper Fanning advised that sale of irrigation equipment funds was used for operations and assisted with the construction of the pipeline. The managers will meet again to finalize the items that would be included in the audit then seek applicants to bid for the task.

Open Forum

Dick Hasenauer requested that the board consider an easement from Lone Star and Summerset Road to the Hersey Dickens road for safety reasons. Shepherd advised that there are gates present that are usually unlocked except during deer hunting season. During that time, emergency access vehicles have codes that allows access to and through the property.

Dan Estermann suggested that there be a bid for the wind farm, Shepherd replied that the attorneys do not feel it is necessary.

Nelson F. Trambly moved a motion to have NCORPE’s Manager Kyle Shepherd request RFPs for Alternate Power Generation, seconded by Terry Martin. Roll Call; Twin Platte – Yes; Upper Republican – Yes; Middle Republican – Yes; Lower Republican – Yes. Vote 4- Yes 0 – No. Motion Approved.

Benjie Loomis moved the motion to go into executive session to discuss personnel including NCORPE representatives, alternates and managers at 1:35 pm. Motion was seconded by Terry Martin. Roll call, Twin Platte – Yes; Upper Republican – Yes; Middle Republican – Yes; Lower Republican – Yes. Vote 4 – Yes, 0 – No. motion Approved.

Terry Martin moved the motion to exit executive session 2:05 pm seconded by Nelson F. Trambly. Roll call, Twin Platte – Yes; Upper Republican – Yes; Middle Republican – Yes; Lower Republican – Yes. Vote 4 – Yes, 0 – No. motion Approved.

The meeting was immediately adjourned as there were no other matters to be discussed.

Benjie Loomis, Board Secretary

Date